

AMENDMENTS TO LB 988

Introduced by Education.

1 1. Insert the following new sections:

2 Section 40. Section 79-1023, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 79-1023 ~~Ne~~ (1) On or before April 30, 2008, and on or
5 before February 1 of each year thereafter, the department shall
6 determine and certify to each school district the maximum general
7 fund budget of expenditures minus the special education budget of
8 expenditures for the immediately following school fiscal year.

9 (2) For school fiscal years prior to 2008-09, no Class
10 II, III, IV, V, or VI district shall increase its general fund
11 budget of expenditures more than the local system's applicable
12 allowable growth rate.

13 (3) For school fiscal year 2008-09 and each school fiscal
14 year thereafter, except as provided in section 42 of this act, no
15 school district shall have a general fund budget of expenditures
16 minus special grant funds and the special education budget of
17 expenditures more than the greater of (a) the product of the
18 difference of the general fund budget of expenditures minus special
19 grant funds and the special education budget of expenditures for
20 the immediately preceding school fiscal year multiplied by the sum
21 of one plus the local system's applicable allowable growth rate
22 or (b) the difference of one hundred twenty percent of formula
23 need for such school fiscal year minus the product of the sum

1 of one plus the basic allowable growth rate for such school year
2 multiplied by the special education budget of expenditures as filed
3 on school district budget statement on or before September 20 for
4 the immediately preceding school fiscal year.

5 Sec. 41. Section 79-1028, Revised Statutes Supplement,
6 2007, is amended to read:

7 79-1028 For school fiscal years prior to school fiscal
8 year 2008-09:

9 (1) A Class II, III, IV, V, or VI school district may
10 exceed its applicable allowable growth rate for (a) expenditures
11 in support of a service which is the subject of an agreement or
12 a modification of an existing agreement whether operated by one
13 of the parties to the agreement or an independent joint entity
14 or joint public agency, (b) expenditures to pay for repairs to
15 infrastructure damaged by a natural disaster which is declared a
16 disaster emergency pursuant to the Emergency Management Act, (c)
17 expenditures to pay for judgments, except judgments or orders from
18 the Commission of Industrial Relations, obtained against a school
19 district which require or obligate a school district to pay such
20 judgment, to the extent such judgment is not paid by liability
21 insurance coverage of a school district, (d) expenditures to pay
22 for sums agreed to be paid by a school district to certificated
23 employees in exchange for a voluntary termination of employment,
24 or (e) expenditures to pay for lease-purchase contracts approved
25 on or after July 1, 1997, and before July 1, 1998, to the extent
26 the lease payments were not budgeted expenditures for fiscal year
27 1997-98;--

1 (2) A Class II, III, IV, V, or VI district may exceed
2 its applicable allowable growth rate by a specific dollar amount
3 if the district projects an increase in formula students in the
4 district over the current school year greater than twenty-five
5 students or greater than those listed in the schedule provided in
6 this ~~subsection~~, subdivision, whichever is less. Districts shall
7 project increases in formula students on forms prescribed by the
8 department. The department shall approve, deny, or modify the
9 projected increases.

10	Average daily	Projected increase
11	membership of	of formula students
12	district	by percentage
13	0 - 50	10
14	50.01 - 250	5
15	250.01 - 1,000	3
16	1,000.01 and over	1

17 The department shall compute the district's estimated
18 allowable budget per pupil using the budgeted general fund
19 expenditures found on the budget statement for the current
20 school year divided by the number of formula students in the
21 current school year and multiplied by the district's applicable
22 allowable growth rate. The resulting allowable budget per pupil
23 shall be multiplied by the projected formula students to arrive at
24 the estimated budget needs for the ensuing year. The department
25 shall allow the district to increase its general fund budget of
26 expenditures for the ensuing school year by the amount necessary
27 to fund the estimated budget needs of the district as computed

1 pursuant to this ~~subsection~~ subdivision. On or before July 1,
2 the department shall make available to districts which have been
3 allowed additional growth pursuant to this ~~subsection~~ subdivision
4 the necessary document to recalculate the actual formula students
5 of such district. Such document shall be filed with the department
6 under subsection (1) of section 79-1024~~i~~-

7 (3) A Class II, III, IV, V, or VI district may exceed
8 its applicable allowable growth rate by a specific dollar amount
9 if construction, expansion, or alteration of district buildings
10 will cause an increase in building operation and maintenance
11 costs of at least five percent. The department shall document
12 the projected increase in building operation and maintenance costs
13 and may allow a Class II, III, IV, V, or VI district to exceed
14 its applicable allowable growth rate by the amount necessary to
15 fund such increased costs. The department shall compute the actual
16 increased costs for the school year and shall notify the district
17 on or before July 1 of the recovery of the additional growth
18 pursuant to this ~~subsection~~ subdivision;

19 (4) A Class II, III, IV, V, or VI district may exceed its
20 applicable allowable growth rate by a specific dollar amount if the
21 district demonstrates to the satisfaction of the department that
22 it will exceed its applicable allowable growth rate as a result
23 of costs pursuant to the Retirement Incentive Plan authorized
24 in section 79-855 or the Staff Development Assistance authorized
25 in section 79-856. The department shall compute the amount by
26 which the increased cost of such program or programs exceeds the
27 district's applicable allowable growth rate and shall allow the

1 district to increase its general fund expenditures by such amount
2 for that fiscal year;:-

3 (5) A Class II, III, IV, or V district may exceed its
4 applicable allowable growth rate by the specific dollar amount of
5 incentive payments or base fiscal year incentive payments to be
6 received in such school fiscal year pursuant to section 79-1011;:-

7 (6) A Class II, III, IV, V, or VI district may exceed
8 its applicable allowable growth rate by a specific dollar amount
9 in any year for which the state aid calculation for the local
10 system includes students in the qualified early childhood education
11 fall membership of the district for the first time or for a year
12 in which an early childhood education program of the district is
13 receiving an expansion grant. The department shall compute the
14 amount by which the district may exceed the district's applicable
15 allowable growth rate by multiplying the cost grouping cost
16 per student for the applicable cost grouping by the district's
17 adjusted formula students attributed to early childhood education
18 programs if students are included in the district's qualified
19 early childhood education fall membership for the first time or by
20 the district's adjusted formula students attributed to such early
21 childhood education programs minus the district's adjusted formula
22 students attributed to such early childhood education programs for
23 the prior school fiscal year if a program is receiving an expansion
24 grant in the school fiscal year for which the fall membership is
25 measured. The department shall allow the district to increase its
26 general fund expenditures by such amount for such school fiscal
27 year;:-

1 ~~(7) For school fiscal year 2005-06, a Class II, III, IV,~~
2 ~~V, or VI district may exceed its applicable allowable growth rate~~
3 ~~by a specific dollar amount not to exceed seventy-four hundredths~~
4 ~~percent of the amount budgeted for employee salaries for such~~
5 ~~school fiscal year. For school fiscal year 2006-07, a Class II,~~
6 ~~III, IV, V, or VI district may exceed its applicable allowable~~
7 ~~growth rate by a specific dollar amount not to exceed fifty-nine~~
8 ~~hundredths percent of the amount budgeted for employee salaries for~~
9 ~~such school fiscal year.~~

10 ~~(8) A Class II, III, IV, or V district that is a~~
11 ~~member of a learning community may exceed its applicable allowable~~
12 ~~growth rate for the first school fiscal year in which the school~~
13 ~~district will be a member of a learning community for the full~~
14 ~~school fiscal year by an amount equal to anticipated increases in~~
15 ~~transportation expenditures necessary to meet the requirements of~~
16 ~~subsection (2) of section 79-611 as approved by the department. The~~
17 ~~department shall approve, deny, or modify the amount allowed~~
18 ~~for anticipated increases in transportation expenditures. The~~
19 ~~department shall compute the actual increase in transportation~~
20 ~~expenditures necessary to meet the requirements of subsection (2)~~
21 ~~of section 79-611 for such school fiscal year and shall, if needed,~~
22 ~~modify the district's applicable allowable growth rate for the~~
23 ~~ensuing school fiscal year.~~

24 ~~(9) For school fiscal year 2008-09, a Class II, III,~~
25 ~~IV, or V district may exceed its applicable allowable growth~~
26 ~~rate by a specific dollar amount if the sum of the poverty~~
27 ~~allowance, elementary class size allowance, focus school and~~

1 program allowance, and limited English proficiency allowance for
2 the school district for school fiscal year 2008-09 exceeds the
3 poverty weightings plus limited English proficiency weightings
4 multiplied by the cost grouping cost per student for the school
5 district for school fiscal year 2007-08. The department shall
6 compute the amount by which the district may exceed the applicable
7 allowable growth rate by subtracting the product of the sum of
8 the poverty weightings and limited English proficiency weightings
9 for school fiscal year 2007-08 multiplied by the average formula
10 cost per student in the school district's cost grouping for school
11 fiscal year 2007-08 from the sum of the school fiscal year 2008-09
12 poverty allowance, elementary class size allowance, focus school
13 and program allowance, and limited English proficiency allowance
14 for the school district. The department shall allow the district to
15 increase its general fund expenditures by such amount for school
16 fiscal year 2008-09.

17 (10) For school fiscal year 2009-10 and each school
18 fiscal year thereafter, a Class II, III, IV, or V district may
19 exceed its applicable allowable growth rate by a specific dollar
20 amount if the sum of the poverty allowance, elementary class size
21 allowance, focus school and program allowance, and limited English
22 proficiency allowance for the school district has grown at a rate
23 higher than the applicable allowable growth rate of the district.
24 The department shall compute the amount by which the district
25 may exceed the applicable allowable growth rate by subtracting
26 the product of the sum of the poverty allowance, elementary class
27 size allowance, focus school and program allowance, and limited

1 English proficiency allowance for the immediately preceding school
2 fiscal year multiplied by the sum of one plus the applicable
3 allowable growth rate to be exceeded from the sum of the poverty
4 allowance, elementary class size allowance, focus school and
5 program allowance, and limited English proficiency allowance for
6 the district for the school fiscal year for which the applicable
7 allowable growth rate would be exceeded. The department shall allow
8 the district to increase its general fund expenditures by such
9 amount for the applicable school fiscal year.

10 ~~(11)~~ (7) A Class II, III, IV, or V school district may
11 exceed its applicable allowable growth rate by a specific dollar
12 amount not to exceed the amount received during such school fiscal
13 year from educational entities as defined in section 79-1201.01 for
14 providing distance education courses through the Distance Education
15 Council; and until July 1, 2008, and the Educational Service Unit
16 Coordinating Council on and after July 1, 2008, to such educational
17 entities.

18 ~~(12)~~ (8) A Class II, III, IV, or V school district may
19 exceed its applicable allowable growth rate for school fiscal year
20 2007-08 by a specific dollar amount equal to the amount paid in
21 school fiscal year 2006-07 to any distance education consortium
22 in which the school district was participating pursuant to an
23 interlocal agreement.

24 Sec. 42. For school fiscal year 2008-09 and each school
25 fiscal year thereafter, a Class II, III, IV, V, or VI school
26 district may exceed its maximum general fund budget of expenditures
27 minus the special education budget of expenditures by a specific

1 dollar amount for:

2 (1) Expenditures for repairs to infrastructure damaged by
3 a natural disaster which is declared a disaster emergency pursuant
4 to the Emergency Management Act;

5 (2) Expenditures for judgments, except judgments or
6 orders from the Commission of Industrial Relations, obtained
7 against a school district which require or obligate a school
8 district to pay such judgment, to the extent such judgment is not
9 paid by liability insurance coverage of a school district;

10 (3) Expenditures pursuant to the Retirement Incentive
11 Plan authorized in section 79-855 or the Staff Development
12 Assistance authorized in section 79-856;

13 (4) Expenditures of incentive payments or base fiscal
14 year incentive payments to be received in such school fiscal year
15 pursuant to section 79-1011; and

16 (5) Expenditures of amounts received from educational
17 entities as defined in section 79-1201.01 for providing distance
18 education courses through the Educational Service Unit Coordinating
19 Council to such educational entities.

20 The state board shall approve, deny, or modify the amount
21 allowed for any exception to the maximum general fund budget of
22 expenditures minus the special education budget of expenditures
23 pursuant to this section.

24 Sec. 43. Section 79-1029, Reissue Revised Statutes of
25 Nebraska, is amended to read:

26 79-1029 (1) A For school fiscal years prior to school
27 fiscal year 2008-09, a Class II, III, IV, V, or VI district

1 may exceed the basic allowable growth rate prescribed in section
2 79-1025 upon an affirmative vote of at least seventy-five percent
3 of the board. The total growth shall not exceed the applicable
4 allowable growth rate certified for the local system under section
5 79-1026 plus one percent. The vote shall be taken at a public
6 meeting of the board following a special public hearing called for
7 the purpose of receiving testimony on such proposed increase. The
8 board shall give at least five calendar days' notice of such public
9 hearing and shall publish such notice at least once in a newspaper
10 of general circulation in the local system.

11 (2) A For school fiscal years prior to school fiscal year
12 2008-09, a Class II, III, IV, V, or VI district may exceed the
13 applicable allowable growth rate prescribed in section 79-1026 by
14 an amount approved by a majority of legal voters voting on the
15 issue at a primary, general, or special election called for such
16 purpose upon the recommendation of the board or upon the receipt by
17 the county clerk or election commissioner of a petition requesting
18 an election signed by at least five percent of the legal voters of
19 the district. The recommendation of the board or the petition of
20 the legal voters shall include the amount and percentage by which
21 the board would increase its general fund budget of expenditures
22 for the ensuing school year over and above the current year's
23 general fund budget of expenditures. The county clerk or election
24 commissioner shall place the question on the primary or general
25 election ballot or call for a special election on the issue after
26 the receipt of such board recommendation or legal voter petition.
27 The election shall be held pursuant to the Election Act or section

1 77-3444, and all costs for a special election shall be paid by the
2 district. A vote to exceed the applicable allowable growth rate
3 may be approved on the same question as a vote to exceed the levy
4 limits provided in section 77-3444.

5 (3) For school fiscal year 2008-09 and each school fiscal
6 year thereafter, a Class II, III, IV, V, or VI district may exceed
7 the maximum general fund budget of expenditures minus the special
8 education budget of expenditures prescribed in section 79-1023
9 by an amount approved by a majority of legal voters voting on
10 the issue at a primary, general, or special election called for
11 such purpose upon the recommendation of the board or upon the
12 receipt by the county clerk or election commissioner of a petition
13 requesting an election, signed by at least five percent of the
14 legal voters of the district. The recommendation of the board or
15 the petition of the legal voters shall include the amount by which
16 the board would increase its general fund budget of expenditures
17 for the ensuing school year over and above the maximum general
18 fund budget of expenditures minus the special education budget of
19 expenditures prescribed in section 79-1023. The county clerk or
20 election commissioner shall place the question on the primary or
21 general election ballot or call for a special election on the
22 issue after the receipt of such board recommendation or legal voter
23 petition. The election shall be held pursuant to the Election Act
24 or section 77-3444, and all costs for a special election shall be
25 paid by the district. A vote to exceed the applicable allowable
26 growth rate may be approved on the same question as a vote to
27 exceed the levy limits provided in section 77-3444.

1 Sec. 47. Section 79-1083.03, Revised Statutes Supplement,
2 2007, is amended to read:

3 79-1083.03 For school fiscal years prior to school fiscal
4 year 2008-09:

5 (1)(a) If the primary high school district designated
6 pursuant to section 79-1083.02 is a Class VI district, the Class I
7 district's total allowable general fund budget of expenditures
8 minus the special education budget of expenditures shall be
9 determined by the school board of such Class VI district and
10 shall be certified to the Class I district on or before ~~June~~
11 ~~24, 2003,~~ and ~~on or before~~ March 1 each year thereafter for the
12 following school fiscal year; ~~and-~~

13 (b) The Class VI primary high school district shall
14 certify the total allowable general fund budget of expenditures
15 minus the special education budget of expenditures for the Class I
16 district to the State Department of Education on or before ~~August~~
17 ~~1, 2003,~~ and ~~on or before~~ April 20 each year thereafter. April 20;

18 (2) If the primary high school district is not a Class
19 VI district, the Class I district's total allowable general fund
20 budget of expenditures minus the special education budget of
21 expenditures shall be determined by the department as follows and
22 certified on or before ~~June 15, 2003,~~ and ~~on or before~~ February 1
23 each year thereafter, for the following school fiscal year:

24 (a) The total allowable general fund budget of
25 expenditures minus the special education budget of expenditures
26 for the Class I district in the school fiscal year immediately
27 preceding the school fiscal year for which the budget is prepared

1 shall be divided by the formula students in the Class I district
2 as defined in section 79-1003, and the result shall be increased
3 by the applicable allowable growth rate for the primary high
4 school district's local system for the ensuing school fiscal year
5 calculated pursuant to section 79-1026 as determined on or ~~before~~
6 ~~June 15, 2003,~~ and ~~on or before~~ February 1 each year thereafter, of
7 the school fiscal year immediately preceding the school fiscal year
8 for which the budget is prepared;

9 (b) The total allowable general fund budget of
10 expenditures minus the special education budget of expenditures
11 for the primary high school district in the school fiscal year
12 immediately preceding the school fiscal year for which the budget
13 is prepared shall be divided by the formula students as defined
14 in section 79-1003 in the primary high school district weighted
15 by the grade weighting factors contained in subdivision (1)(a)
16 of section 79-1007.01, and the result shall be multiplied by the
17 kindergarten through grade eight formula students as defined in
18 section 79-1003 weighted by the grade weighting factors contained
19 in subdivision (1)(a) of section 79-1007.01 to calculate the total
20 allowable general fund budget of expenditures minus the special
21 education budget of expenditures for kindergarten through grade
22 eight in the primary high school district. The total allowable
23 general fund budget of expenditures minus the special education
24 budget of expenditures for kindergarten through grade eight shall
25 be divided by the kindergarten through grade eight formula students
26 without weighting. The result shall be increased by the applicable
27 allowable growth rate for the primary high school district's local

1 system for the ensuing school fiscal year calculated pursuant to
2 section 79-1026 as determined ~~on or before June 15, 2003,~~ and on or
3 before February 1 ~~each year thereafter,~~ of the school fiscal year
4 immediately preceding the school fiscal year for which the budget
5 is prepared;

6 (c) The amounts calculated in subdivisions (2)(a) and
7 (2)(b) of this section shall be summed and the result divided
8 by two to arrive at the total allowable general fund budget of
9 expenditures minus the special education budget of expenditures per
10 formula student for the Class I district; and

11 (d) The total allowable general fund budget of
12 expenditures minus the special education budget of expenditures per
13 formula student for the Class I district shall be multiplied by
14 the formula students as defined in section 79-1003 for the Class
15 I district as used by the department for certification of the
16 ensuing school fiscal year's state aid, and the result shall be
17 the total allowable general fund budget of expenditures minus the
18 special education budget of expenditures for the Class I district
19 for the ensuing school fiscal year except as provided in ~~subsection~~
20 subdivision (3) of this section;~~-~~

21 (3)(a) The school board of the Class I district may,
22 ~~on or before July 1, 2003,~~ and on or before March 10, ~~each year~~
23 ~~thereafter,~~ submit a request to exceed the total allowable general
24 fund budget of expenditures minus the special education budget of
25 expenditures to all the school boards of the high school district
26 or districts with which the Class I district is affiliated or of
27 which it is a part. For Class I districts to exceed the total

1 allowable general fund budget of expenditures minus the special
2 education budget of expenditures, the total general fund budget of
3 expenditures request shall be approved by high school districts,
4 including the primary high school district, such that the portions
5 of the Class I district that are affiliated with or part of the
6 approving high school districts comprise at least two-thirds of
7 the assessed valuation of the Class I district. Such request shall
8 specify the total general fund budget of expenditures, broken down
9 by expenditures for special education, for regular education, and
10 for special grant funds as defined in section 79-1003, for which
11 the Class I district seeks authority; and-

12 (b) The high school district shall approve or deny the
13 request ~~on or before July 15, 2003,~~ and on or before April 10 each
14 ~~year thereafter~~ following the receipt of such request and shall
15 forward written notification to the Class I district of approval
16 or denial. A request for additional budget authority shall be
17 considered approved if (i) no action is taken by the high school
18 district or (ii) the high school district fails to send written
19 notification to the Class I district of the denial of a request for
20 additional budget authority;-

21 (4) The school board of a Class I district may, after
22 October 15 of each year, amend the general fund budget of
23 expenditures (a) by increasing the special education budget of
24 expenditures, (b) for any special grant funds as defined in section
25 79-1003 received any time during a school fiscal year, or (c) for
26 current fiscal year expenditures the board deems essential if the
27 expenditures could not reasonably have been anticipated at the time

1 the budget for the current year was adopted. A copy of the revised
2 budget shall be filed pursuant to subsection (4) of section 13-511
3 and section 79-1024;~~;~~

4 (5) All Class I districts shall certify the items
5 required by subsection (1) of section 13-508 to all of their
6 high school districts on or before August 1; ~~and~~

7 (6) All primary high school districts shall certify to
8 the department and all other affected districts, ~~on or before~~
9 ~~August 1, 2003, and on or before April 20, each year thereafter,~~
10 the approved total general fund budget of expenditures for a Class
11 I district when the Class I district has requested to exceed its
12 certified budget authority and the request has been approved.